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Page Denied

National Intelligence Bulletin

October 23, 1974

CONTENTS

PAKISTAN-USSR: Bhutto to arrive in Moscow tomorrow for official visit. (Page 1)

CYPRUS: Greek Cypriots planning protests at the US embassy. (Page 3)

CANADA: Export sales of wheat suspended until frost damage to the crop can be assessed. (Page 4)

WESTERN EUROPE - LABOR: ETUC to consider affiliation request by France's Communist-dominated labor organization. (Page 5)

CHINA: National People's Congress may be convened shortly. (Page 6)

25X1

SOUTH VIETNAM: Opposition groups organizing chapters in the provinces. (Page 9)

25X1

AUSTRALIA: Recent local election defeats are another reason for Labor not to call national elections soon. (Page 12)

NEW ZEALAND: Prime Minister Rowling unlikely to call early elections, despite rumors that he is considering doing so. (Page 13)

ETHIOPIA: Security in Addis Ababa increased for the trial of former officials. (Page 15)

FOR THE RECORD: (Page 17)

25X1

National Intelligence Bulletin

October 23, 1974

PAKISTAN-USSR

Pakistani Prime Minister Bhutto arrives in Moscow on Thursday for a three-day official visit.

Bhutto, who last traveled to the USSR in March 1972, probably feels the trip is necessary to maintain his credentials as an important figure among leaders of developing nations. In addition, he will try to convince the Soviets to take a more even-handed approach regarding Pakistan's differences with Afghanistan, Bangladesh, and India. He will probably avoid making major concessions to the Soviets that would damage his good relations with the US and, especially, his close ties with China.

Bhutto may sound out the Soviets on prospects for increasing their economic aid to Pakistan. He might even probe the possibility of getting them to resume supplying arms, in an effort to put himself in a position to intimate to the US that he has the option of turning more toward Moscow if Washington does not ease its embargo on weapons shipments to Pakistan. The Soviet Union briefly furnished arms to Pakistan in the late 1960s, when Moscow was attempting to establish a more balanced position between Islamabad and New Delhi, but there have not been any signs that the Soviets are considering resuming such aid.

Bhutto has been unhappy about Pakistan's inability, since the Indian nuclear explosion last May, to obtain big-power guarantees to protect Pakistan against an Indian nuclear threat. He may seek private assurances from the Soviets that they will try to restrain India from establishing a nuclear weapons program. He is also concerned about Moscow's extensive military assistance programs in India and Afghanistan, and he may complain to the Soviets about alleged Afghan aid to subversive elements in Pakistan. From time to time Bhutto and other Pakistani officials privately voice the suspicion that the USSR, India, and Afghanistan are conspiring together to undermine Pakistan's security and territorial integrity.

National Intelligence BulletinOctober 23, 1974

The Soviets, for their part, would probably like to wean Islamabad from its heavy reliance on Peking. With this objective in mind, they will seek Bhutto's endorsement of their long-standing proposal for a Soviet-sponsored Asian collective security system.

25X1

25X1

Moscow's focus on Pakistan's adversaries--India and Afghanistan--as the keys to Soviet influence on the subcontinent places sharp limits on any Soviet courtship with Pakistan. In fact, the Soviets have already shown some coolness toward Bhutto's visit, twice postponing it earlier this year. Now they have scheduled it to overlap with Secretary Kissinger's visit, which may serve to limit Bhutto's access to the top Soviet leadership.

Moscow is pushing the line that Pakistan is economically the most viable country in South Asia, and consequently it probably will not offer much new economic aid. The Soviets may agree to some limited economic initiatives, such as expediting the construction of a Soviet-aided steel mill near Karachi.

25X1

National Intelligence Bulletin

October 23, 1974

CYPRUS

Greek Cypriots are planning to hold a number of protest demonstrations in Nicosia this week, including one today and another on Friday at the US embassy. Embassy officials are taking precautionary measures and report that demonstrations held yesterday at the Greek embassy and outside acting President Clerides' office were very orderly. The embassy's security measures are being coordinated with UN officials, the National Guard, and the police.

The demonstrations are expected to focus on such issues as the refugee problem, US foreign policy, the presence of Turkish military forces, and continued overflights by Turkish airplanes. Vassos Lyssarides, a leftist political leader and Makarios supporter, reportedly is among those organizing the demonstrations, all of which will carry the underlying theme of support for the return of Archbishop Makarios. [REDACTED]

25X1

National Intelligence BulletinOctober 23, 1974

CANADA

The Canadian Wheat Board has suspended export sales until the recent frost damage can be assessed. Exports had already been curtailed since July pending an early crop assessment, forcing some buyers to purchase US wheat.

The harvest is expected to reach only 13.3 million tons, nearly a 20-percent reduction from last year. Because the quality also has been severely affected, an unusually large amount will be suitable only for feeding livestock.

Overall exports will probably not exceed 10.5 million tons--the smallest amount in five years and almost 10 percent less than last year. Even to export this amount, reserves will have to be drawn down by roughly 2 million tons. Canada's stockpile of 10.3 million tons equals more than one third of the total stocks held by non-communist countries, but Ottawa opposes a sharp cutback in inventories because of concern over Canadian self-sufficiency.

25X1

National Intelligence Bulletin October 23, 1974

WESTERN EUROPE - LABOR

At its meeting on October 25, the policy-making body of the European Trade Union Confederation (ETUC) is expected to act on the request from France's Communist-dominated General Confederation of Labor (CGT) that talks be opened on the question of CGT affiliation.

The ETUC secretary general told US officials last month that the Secretariat would strongly recommend that the CGT's bid for affiliation be rejected. In July, however, the Communist-dominated Italian labor federation was admitted to membership in the ETUC.

The CGT expects various national confederations that are adamantly opposed to affiliation--the West German Trade Union Federation and the French Force Ouvriere--to call for an immediate vote on the question, knowing that the necessary two-thirds majority could not be mustered at this time.

The CGT's allies will try to head off this move by presenting a motion to form a committee to study the question of affiliation. This procedural move, which requires only a simple majority for adoption, would be supported by the British Trades Union Congress and the French Democratic Workers Confederation and might well pass. The CGT hopes through this strategy to gain several months' time in which to lobby for support.

National Intelligence BulletinOctober 23, 1974

CHINA

The long-delayed National People's Congress may at last be convened.

25X1

There has been no National People's Congress since 1965. A meeting was slated to be held following the Ninth and the Tenth Party Congresses in 1969 and 1973, but political division and then the poor health of key leaders forced delays.

The country's political wounds have not healed, but there has apparently been enough improvement so that the congress can be held soon. Mao, Chou, and several other Politburo members have serious health problems, but their recent activities indicate they are capable of participating in a show of unity.

Drafting of the new state constitution has been a contentious issue; arguments about it helped precipitate the Lin Piao affair in 1971. If this issue has been resolved, the major additional work of the congress will be to approve a slate of government ministers.

Most of the known ministries have heads, but the Defense Ministry is a major exception; an appointment would help define the balance of political forces in Peking. The two most likely candidates are Politburo members Yeh Chien-ying and Chen Hsi-lien. Yeh, an ally of Premier Chou, has been de facto defense chief

National Intelligence Bulletin

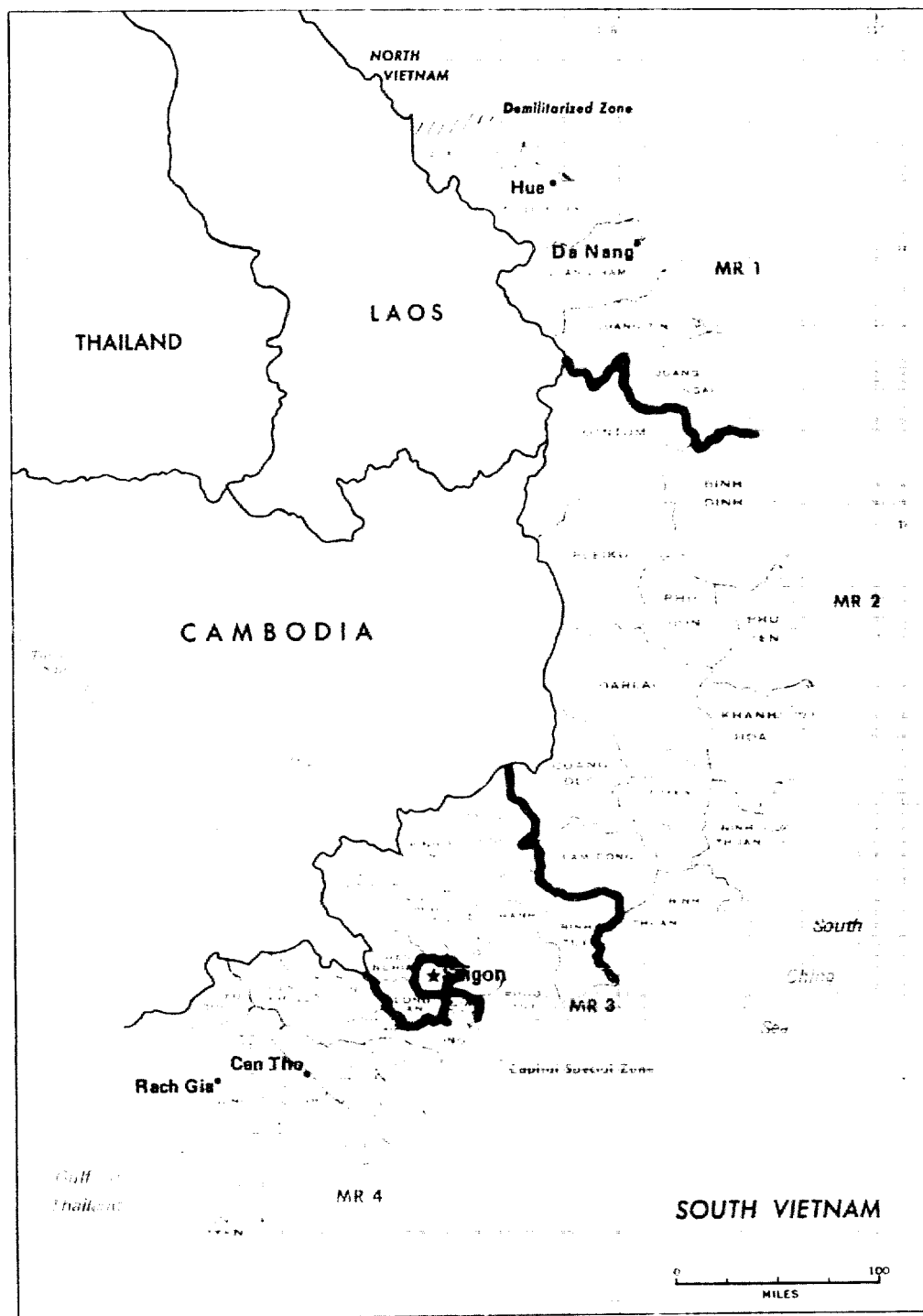
October 23, 1974

since Lin Piao's fall. Chen is somewhat younger than Yeh, who at 76 is the same age as the Premier. Chen is, however, a representative of the regional military commanders, many of whom have been under pressure during the anti-Confucius campaign. Nevertheless, Chen himself has been virtually immune from criticism. One of the first acts of the anti-Confucius campaign--a leftist broadside against the "bourgeois" educational practices--originated in his former bailiwick of northeast China.

25X1

25X1

25X1



National Intelligence Bulletin

October 23, 1974

SOUTH VIETNAM

Catholic and Buddhist opposition groups currently active in demonstrations against the Thieu government are working hard to organize local chapters in the provinces. The Buddhists' National Reconciliation Force has formed provincial organizations in three of the northernmost provinces and also in Hue and Da Nang. The Catholic-led movement against corruption has opened up two new chapters in Can Tho and Rach Gia in the delta.

The degree of public backing for these new groups is not known, but demonstrations in support of them have been fairly small, with the exception of one last weekend in Can Tho attended by about 4,000 people. The US consul general in the delta reports that the Can Tho demonstration was peaceful.

Longtime leftist gadfly Madame Ngo Ba Thanh took to the streets in Saigon during the weekend and succeeded in getting foreign press coverage of a small rock-throwing demonstration against South Vietnam's National Assembly building. The demonstrators, however, were mostly teenage thugs--numbering about 100--who were interested mainly in destroying public property and testing police reaction. Saigon police units reacted calmly; no injuries were reported.

There are no signs that the government plans to modify its lenient attitude toward the protesters. President Thieu is concerned, however, about reports that both Catholics and Buddhists are planning widespread demonstrations during South Vietnam's National Day on November 1, and he has ordered his security chiefs to monitor the opposition closely.

The other principal protest group, the newspaper publishers' association, has requested its members not to send reporters to government-sponsored news conferences and not to publish information based on government news handouts. The boycott is in response to

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25X1

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National Intelligence Bulletin

October 23, 1974

the government's alleged unwillingness to moderate provisions of its press law. [REDACTED]

25X1

[REDACTED] Thieu last week sent the National Assembly proposals for amendments that would ease the restrictions somewhat but would still give the government authority to confiscate, censor, or suspend the press. [REDACTED]

National Intelligence BulletinOctober 23, 1974

AUSTRALIA

Labor's overwhelming defeat in local elections in the Northern Territory last weekend will further discourage the government from calling early national elections. Prime Minister Whitlam a few days previously had raised the possibility of new elections if the opposition continued to obstruct Labor's legislative program.

In the Northern Territory voting, the Liberal-Country opposition took at least 17 of the 19 seats in a new territorial assembly. A local Labor Party leader, commenting that his organization was "annihilated," blamed the results on public dissatisfaction with the state of the economy under the Labor government.

The defeat closely follows other rebuffs to Labor in local elections. Last month, Labor lost about two thirds of the city and town councils it had held in New South Wales, and its share of the vote in the Capital Territory dropped by six percentage points.

Public opinion poll results released over the weekend show that only a little over 40 percent of the electorate favors Labor. This is a drop of 9 percent since the elections last May that narrowly continued Labor in office. This, plus the recent series of defeats, may persuade the party to make do with its less than satisfactory parliamentary situation, rather than risk defeat in a national contest.

In the past, the Labor hierarchy has followed the maxim that local election results have little bearing at the national level. This attitude is certain to be reviewed.

National Intelligence Bulletin

October 23, 1974

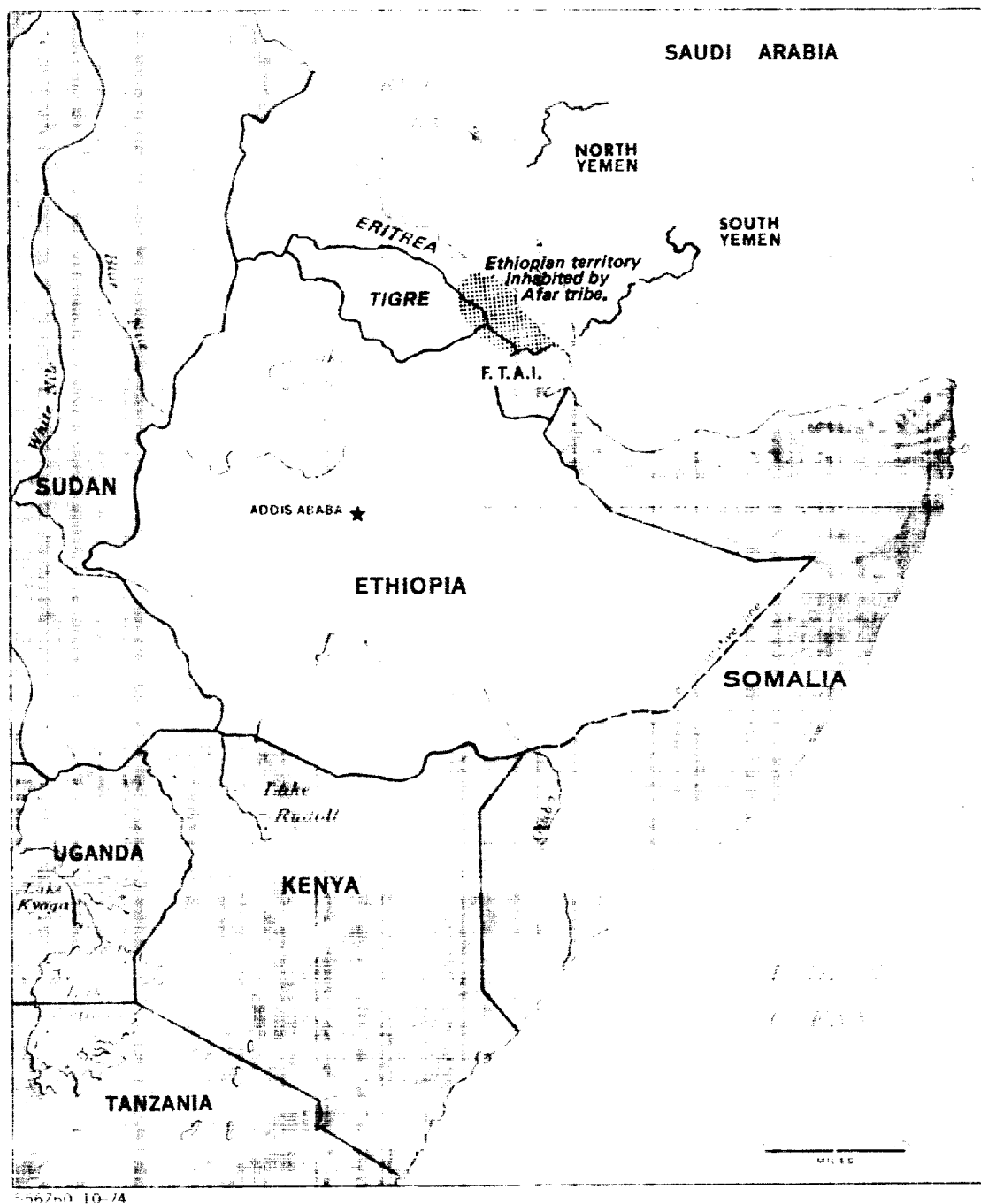
NEW ZEALAND

Rumors are circulating that the Labor government may call early elections.

Elections are not scheduled until November 1975. There is speculation, however, that Prime Minister Rowling may soon seek a new three-year mandate to take advantage of the public's sympathy for Labor because of the recent death of the popular prime minister Kirk. Local elections have shown a trend against Labor, and the government may want to move before its standing slips further. Rowling may also be concerned that the stringent economic measures the government is contemplating are likely to alienate the electorate over the next year.

There is, however, considerable sentiment within the Labor Party against early elections. A sizable number of the Labor members of Parliament were elected by slim majorities, and they are reluctant to be put to the test again, in view of Labor's recent setbacks in local elections. Also, many party members argue that the government, with its large parliamentary majority, should feel no compulsion to go to the polls.

The US embassy believes that the odds are against early elections and that Rowling's failure to scotch rumors is a tactical move to keep his options open and the opposition off balance.



National Intelligence BulletinOctober 23, 1974

ETHIOPIA

The Armed Forces Coordinating Committee yesterday increased security measures in Addis Ababa in preparation for the trial of aristocrats and former officials charged with corruption and abuse of power.

A force of 12 to 16 tanks and supporting infantry from the Third Division in eastern Ethiopia has been stationed around the palace in which the prisoners will be tried by military tribunals established by the coordinating committee last Saturday. The committee's recent decision to move its headquarters to the same palace may also have prompted the strengthening of security around the compound. Former emperor Haile Selassie remains under detention at Fourth Division headquarters in the capital, but the committee has made no announcement concerning the possibility of a trial.

The trials may increase tensions within the committee stemming from differences over how to deal with the prisoners. The moderates in control of the committee are concerned with the troublemaking potential of radical members who favor harsh treatment for the aristocrats. Some radicals reportedly have advocated killing the prisoners without trial. The moderates are also concerned that supporters of the aristocrats, perhaps joined by sympathizers in the military, will instigate disorders during the trials, or even try to free the prisoners.

Meanwhile, elements of the army's Second Division reportedly are pursuing Ras Mengasha Seyoum, former governor general of Tigre Province, and Ali Mira Hanfere, the Sultan of Afar and a local leader of Afar tribesmen in Ethiopia. Ras Mengasha, the only remaining important nobleman at large, is believed to have connections with leaders of the Eritrean Liberation Front. He probably has a few hundred armed followers.

The Sultan of Afar is reported to have fled from his capital in northeastern Ethiopia toward the neighboring French Territory of Afars and Issas. He has several thousand armed followers, and significant numbers of

National Intelligence BulletinOctober 23, 1974

Afars would probably rally to his cause. Simultaneous military action against Ras Mengasha, the continuing insurgency in Eritrea, and possible armed conflict with the Afars could seriously overextend Second Division resources and further strain relations with the populace in several northern provinces.

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National Intelligence Bulletin

October 23, 1974

FOR THE RECORD

25X1

Argentina: Last week's announcement of plans to nationalize Standard Electric of Argentina--an ITT subsidiary--and two other foreign-owned telecommunications firms was apparently triggered by ITT demands for a government takeover. ITT decided to dump Standard after government cancellation of a major contract left Standard with debts of nearly \$100 million against assets of around \$140 million. The resulting shortage of cash and the deteriorating business climate led ITT to offer to sell Standard for book value (apparently \$50 million) plus government assumption of debts. Following rejection of this offer, ITT offered simply to surrender the company in return for cancellation of debts.

25X1

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25X1